

KEEGAN WERLIN LLP

ATTORNEYS AT LAW  
265 FRANKLIN STREET  
BOSTON, MASSACHUSETTS 02110-3113

(617) 951-1400

TELECOPIERS:

(617) 951-1354

(617) 951-0586

DAVID S. ROSENZWEIG  
E-mail: drosen@keeganwerlin.com

October 17, 2005

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station, 2<sup>nd</sup> Floor  
Boston, MA 02110

Re: Investigation by the Department of Telecommunications and Energy on its Own Motion to Increase the Participation Rate for Discounted Electric, Gas and Telephone Service Pursuant to G.L. c. 159, § 105 and G.L. c. 164, § 76, D.T.E. 01-106/05-55/05-56

Dear Secretary Cottrell:

In compliance with the October 14, 2005 Order of the Department of Telecommunications and Energy (the "Department") in the above-referenced proceeding, please find attached proposed Residential Assistance Adjustment Clause ("RAAC") tariffs on behalf of Boston Edison Company, Cambridge Electric Light Company and Commonwealth Electric Company d/b/a NSTAR Electric ("NSTAR Electric") and NSTAR Gas Company (together the "Companies"). The Companies respectfully request that the Department approve the attached tariffs for effect November 1, 2005. The following tariffs for each of the Companies are attached:

M.D.T.E. 110	Boston Edison Company
M.D.T.E. 210	Cambridge Electric Light Company
M.D.T.E. 310	Commonwealth Electric Company
M.D.T.E. 407	NSTAR Gas Company

Please note that, effective November 1, 2005, the Residential Assistance Adjustment Factor ("RAAF") will be:

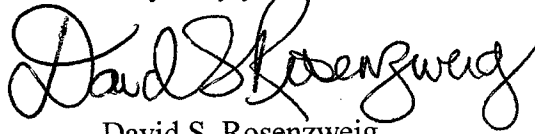
\$0.00005 per kilowatthour for Boston Edison Company;  
\$0.00001 per kilowatthour for Cambridge Electric Light Company;  
\$0.00003 per kilowatthour for Commonwealth Electric Company; and  
\$0.0004 per therm for NSTAR Gas.

Letter to M. Cottrell  
October 17, 2005  
Page 2

Attached are the relevant schedules that provide the basis for these calculations. Please also note that, for NSTAR Electric, the RAAFs will reconcile on January 1<sup>st</sup> of each year beginning on January 1, 2007, and for NSTAR Gas, the RAAF will reconcile on November 1<sup>st</sup> of each year.

Thank you for your consideration of the attached tariffs. Please contact me or Kerry Britland at NSTAR Electric (781-441-8219) if you have any questions regarding this filing.

Very truly yours,



David S. Rosenzweig

cc: Andrew Kaplan, General Counsel  
Jeanne Voveris, Hearing Officer  
Elizabeth Cellucci, Hearing Officer  
Ronald LeComte, Director, Electric Power Division  
George Yiankos, Director, Gas Division  
Kevin Brannelly, Director, Rates Division  
Joseph Rogers, Chief, Utilities Division, Office of the Attorney General  
Colleen McConnell, Office of the Attorney General  
Service List, D.T.E. 01-106

Enclosures

---

**RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE**

**RATE RAAC**

**1.01 Purpose**

The purpose of the Residential Assistance Adjustment Clause ("RAAC") is to provide Boston Edison Company ("Boston Edison" or the "Company") a mechanism for the recovery of lost revenue, on an annual basis and subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department"), based on the incremental increase of Residential Assistance customers enrolled in the Company's discounted rate (Rate R-2) as a result of a computer data matching program with the Massachusetts Executive Office of Health and Human Services ("EOHHS"), as described in the Department's D.T.E. 01-106 order, as well as through traditional outreach programs. The RAAC would be subject to annual reconciliation/true-up based on actual sales and revenue.

**1.02 Applicability**

The RAAC shall be applicable to all Customers. For billing purposes, the RAAC shall be included in the Distribution Charge.

**1.03 Effective Date of Annual Adjustment Factor**

The Residential Assistance Adjustment Factor ("RAAF") shall be effective on November 1, 2005, subject to an adjustment on the first day of each following calendar year commencing on January 1, 2007, pursuant to the reconciliation as described herein, unless otherwise ordered by the Department.

**1.04 Definitions**

The following terms shall be used in this tariff as defined in this section, unless the context requires otherwise.

- (1) "Distribution Company" or "Company" is Boston Edison Company d/b/a NSTAR Electric Company.
- (2) "Baseline Period" is the twelve-month period ended June 30, 2005.
- (3) "Baseline Revenue" is the amount of low-income discount revenue in the Baseline Period. The Baseline Revenue shall be computed as the difference between the delivery rate revenue that would have been collected from customers had no low-income discount existed and the actual delivery rate revenue collected from customers on low-income tariffs during the Baseline Period.
- (4) "Recoverable Revenue" is the actual amount of discount revenue in an annual period subsequent to the Baseline Period in excess of the Baseline Revenue. The discount revenue

**RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE**

**RATE RAAC**

shall be calculated as described above in (3). The Recoverable Revenue shall not be less than zero.

**1.05 Residential Assistance Adjustment Factor Formula**

$$RAAF_x = [(RA_x) + Cust(DCust\$_x) + Cust(AvgkWh)(DkWh\$)]/FkWh_x$$

RAAF =	The annual Residential Assistance Adjustment Factor.
RA <sub>x</sub> =	The Reconciliation Adjustment for Year <sub>x</sub> shall be the difference between the actual amount of revenue recovered in Year <sub>x</sub> and the Recoverable Revenue for Year <sub>x</sub> . Reconciliations shall be performed annually and interest shall be calculated on the average monthly reconciling balance using the prime rate computed in accordance with 220 C.M.R. § 6.08(2) and added to the reconciling balance.
Cust <sub>x</sub> =	The estimated net increase in the number of customers enrolled on the Company's Residential Assistance Rate over that for the Baseline Period.
AvgkWh =	The estimated average kWh usage per customer for the forecast period determined from the historical kWh usage under the Company's Residential Assistance Rate.
DCust\$ =	The difference between the non-discounted and discounted customer charge for the applicable rates.
DkWh\$ =	The difference between the non-discounted and discounted kWh charges for the applicable rates.
FkWh <sub>x</sub> =	The estimated total kWh sales in the forecast period.

**1.06 Information Required to be Filed with the Department**

Information pertaining to the RAAC shall be filed with the Department at least thirty (30) days before the date on which a new RAAF is to be effective. This information shall be submitted with each annual RAAF filing, along with complete documentation of the reconciliation-adjustment calculations.

**Boston Edison Company**  
**Low Income Adjustment (RAAF)**

<u>Line #</u>	<u>Rate R-2 Non-Heating</u>	<u>Incremental</u> <u>Customers (a)</u>	<u>Winter</u> <u>Incremental</u> <u>kWh/Cust</u>	<u>Summer</u> <u>Incremental</u> <u>kWh/Cust</u>	
1	Monthly Billing Quantities	3,437	440	440	Reflects average year 2004 usage
2					
3		<u>\$/Cust</u>	<u>\$/kWh</u>	<u>\$/kWh</u>	
4	Rate R-1	6.43	0.03912	0.03912	Reflects July 1, 2005 distribution rates
5	Rate R-2	3.91	0.00945	0.00945	Reflects July 1, 2005 distribution rates
6	Difference	2.52	0.02967	0.02967	
7					
8	Monthly Revenue Diff.	\$ 8,661	\$ 44,869	\$ 44,869	Line 1 x Line 6
9	Months	12	8	4	
10	Annual Revenue Difference	\$ 103,935	\$ 358,955	\$ 179,477	Line 8 x Line 9
11					
12			<u>Winter</u>	<u>Summer</u>	
13		<u>Incremental</u>	<u>Incremental</u>	<u>Incremental</u>	
14	<u>Rate R-2 Heating</u>	<u>Customers (a)</u>	<u>kWh/Cust</u>	<u>kWh/Cust</u>	
15	Monthly Billing Quantities	155	920	920	Reflects average year 2004 usage
16					
17		<u>\$/Cust</u>	<u>\$/kWh</u>	<u>\$/kWh</u>	
18	Rate R-3	6.43	0.03151	0.0391	Reflects July 1, 2005 distribution rates
19	Rate R-2	3.91	0.00553	0.00717	Reflects July 1, 2005 distribution rates
20	Difference	2.52	0.02598	0.03193	
21					
22	Revenue Difference	\$ 391	\$ 3,705	\$ 4,553	Line 15 x Line 20
23	Months	12	8	4	
24	Annual Revenue Difference	\$ 4,687	\$ 29,638	\$ 18,213	Line 22 x Line 23
25					
26	Total Revenue Difference	\$ 694,905			Line 10 + Line 24 (all columns)
27	Prior Year Adjustment	\$ -			RA
28	Total Revenue for Recovery	\$ 694,905			Line 26 + Line 27
29	Total kWh	15,135,773,480			Reflects projected year total usage
30	RAAF Adjustment	\$ 0.00005 /kWh			Line 28 / Line 29

Notes:

(a) Results of EOHHS customer matching process for June 2005 .

**Boston Edison Company**  
Low Income Discount

<u>Line #</u>	<u>Rate R-2 Non-Heating</u>	Annual <u>Bills</u>	Winter <u>kWh</u>	Summer <u>kWh</u>	
1	Billing Quantities	338,873	90,396,868	56,439,911	Reflects 12 month usage thru Jun 2005
2					
3	<u>Prices</u>	<u>\$/Cust</u>	<u>\$/kWh</u>	<u>\$/kWh</u>	
4	Rate R-1	6.43	0.03959	0.03959	Reflects Jan 1, 2005 distribution rates
5	<u>Rate R-2</u>	<u>3.91</u>	<u>0.00992</u>	<u>0.00992</u>	Reflects Jan 1, 2005 distribution rates
6	Difference	2.52	0.02967	0.02967	
7					
8	Annual Discount Revenue	\$ 853,960	\$ 2,682,075	\$ 1,674,572	Line 1 x Line 6
9	Total Rate R-2(R1) Discount	\$ 5,210,607			
10					
11		Annual	Winter	Summer	
12	<u>Rate R-2 Heating</u>	<u>Bills</u>	<u>kWh</u>	<u>kWh</u>	
13	Billing Quantities	25,018	16,707,419	5,196,830	Reflects 12 month usage thru Jun 2005
14					
15	<u>Prices</u>	<u>\$/Cust</u>	<u>\$/kWh</u>	<u>\$/kWh</u>	
16	Rate R-3	6.43	0.03198	0.03957	Reflects Jan 1, 2005 distribution rates
17	<u>Rate R-2</u>	<u>3.91</u>	<u>0.00510</u>	<u>0.00674</u>	Reflects Jan 1, 2005 distribution rates
18	Difference	2.52	0.02688	0.03283	
19					
20	Annual Discount Revenue	\$ 63,045	\$ 449,095	\$ 170,612	Line 13 x Line 18
21	Total Rate R-2(R3) Discount	\$ 682,753			
22					
23	Total Annual Revenue Difference	\$ 5,893,360			(Line 8 + Line 20 ) all columns

**RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE**

**RATE RAAC**

**1.01 Purpose**

The purpose of the Residential Assistance Adjustment Clause ("RAAC") is to provide Cambridge Electric Light Company ("Cambridge Electric" or the "Company") a mechanism for the recovery of lost revenue, on an annual basis and subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department"), based on the incremental increase of Residential Assistance customers enrolled in the Company's discounted rates (Rate R-2 and Rate R-4) as a result of a computer data matching program with the Massachusetts Executive Office of Health and Human Services ("EOHHS"), as described in the Department's D.T.E. 01-106 order, as well as through traditional outreach programs. The RAAC would be subject to annual reconciliation/true-up based on actual sales and revenue.

**1.02 Applicability**

The RAAC shall be applicable to all Customers. For billing purposes, the RAAC shall be included in the Distribution Charge.

**1.03 Effective Date of Annual Adjustment Factor**

The Residential Assistance Adjustment Factor ("RAAF") shall be effective on November 1, 2005, subject to an adjustment on the first day of each following calendar year commencing on January 1, 2007, pursuant to the reconciliation as described herein, unless otherwise ordered by the Department.

**1.04 Definitions**

The following terms shall be used in this tariff as defined in this section, unless the context requires otherwise.

- (1) "Distribution Company" or "Company" is Cambridge Electric Light Company d/b/a NSTAR Electric Company.
- (2) "Baseline Period" is the twelve-month period ended June 30, 2005.
- (3) "Baseline Revenue" is the amount of low-income discount revenue in the Baseline Period. The Baseline Revenue shall be computed as the difference between the delivery rate revenue that would have been collected from customers had no low-income discount existed and the actual delivery rate revenue collected from customers on low-income tariffs during the Baseline Period.

**RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE**

**RATE RAAC**

- (4) "Recoverable Revenue" is the actual amount of discount revenue in an annual period subsequent to the Baseline Period in excess of the Baseline Revenue. The discount revenue shall be calculated as described above in (3). The Recoverable Revenue shall not be less than zero.

**1.05 Residential Assistance Adjustment Factor Formula**

$$RAAF_x = [(RA_x) + Cust(DCust\$_x) + Cust(AvgkWh)(DkWh\$)]/FkWh_x$$

RAAF =	The annual Residential Assistance Adjustment Factor.
RA <sub>x</sub> =	The Reconciliation Adjustment for Year <sub>x</sub> shall be the difference between the actual amount of revenue recovered in Year <sub>x</sub> and the Recoverable Revenue for Year <sub>x</sub> . Reconciliations shall be performed annually and interest shall be calculated on the average monthly reconciling balance using the prime rate computed in accordance with 220 C.M.R. § 6.08(2) and added to the reconciling balance.
Cust <sub>x</sub> =	The estimated net increase in the number of customers enrolled on the Company's Residential Assistance Rates over that for the Baseline Period.
AvgkWh =	The estimated average kWh usage per customer for the forecast period determined from the historical kWh usage under the Company's Residential Assistance Rates.
DCust\$ =	The difference between the non-discounted and discounted customer charge for the applicable rates.
DkWh\$ =	The difference between the non-discounted and discounted kWh charges for the applicable rates.
FkWh <sub>x</sub> =	The estimated total kWh sales in the forecast period.

**1.06 Information Required to be Filed with the Department**

Information pertaining to the RAAC shall be filed with the Department at least thirty (30) days before the date on which a new RAAF is to be effective. This information shall be submitted with each annual RAAF filing, along with complete documentation of the reconciliation-adjustment calculations.



**Cambridge Electric Light Company**  
**Low Income Adjustment (RAAF)**

<u>Line #</u>	<u>Rate R-2</u>	Incremental <u>Customers (a)</u>	Winter Incremental <u>kWh/Cust</u>	Summer Incremental <u>kWh/Cust</u>	
1	Monthly Billing Quantities	189	360	360	Reflects average year 2004 usage
2					
3		<u>\$/Cust</u>	<u>\$/kWh</u>	<u>\$/kWh</u>	
4	Rate R-1	6.87	0.02539	0.02539	Reflects July 1, 2005 distribution rates
5	Rate R-2	4.51	0.00380	0.00380	Reflects July 1, 2005 distribution rates
6	Difference	2.36	0.02159	0.02159	
7					
8	Monthly Revenue Diff.	\$ 446	\$ 1,469	\$ 1,469	Line 1 x Line 6
9	Months	12	8	4	
10	Annual Revenue Difference	\$ 5,352	\$ 11,752	\$ 5,876	Line 8 x Line 9
11					
12			Winter	Summer	
13		Incremental	Incremental	Incremental	
14	<u>Rate R-4</u>	<u>Customers (a)</u>	<u>kWh/Cust</u>	<u>kWh/Cust</u>	
15	Monthly Billing Quantities	1	697	697	Reflects average year 2004 usage
16					
17		<u>\$/Cust</u>	<u>\$/kWh</u>	<u>\$/kWh</u>	
18	Rate R-3	7.77	0.03031	0.03031	Reflects July 1, 2005 distribution rates
19	Rate R-4	5.09	0.00619	0.00619	Reflects July 1, 2005 distribution rates
20	Difference	2.68	0.02412	0.02412	
21					
22	Revenue Difference	\$ 3	\$ 17	\$ 17	Line 15 x Line 20
23	Months	12	8	4	
24	Annual Revenue Difference	\$ 32	\$ 134	\$ 67	Line 22 x Line 23
25					
26	Total Revenue Difference	\$ 23,214			Line 10 + Line 24 (all columns)
27	Prior Year Adjustment	\$ -			RA
28	Total Revenue for Recovery	\$ 23,214			Line 26 + Line 27
29	Total kWh	1,647,827,088			Reflects projected year total usage
30	RAAF Adjustment	\$ 0.00001 /kWh			Line 28 / Line 29

Notes:

(a) Results of EOHHS customer matching process for June 2005 .

**Cambridge Electric Light Company**  
Low Income Discount

<u>Line #</u>	<u>Rate R-2</u>	<u>Annual Bills</u>	<u>Winter kWh</u>	<u>Summer kWh</u>	
1	Billing Quantities	18,567	3,769,428	2,733,463	Reflects 12 month usage thru July 2005
2					
3		<u>\$/Cust</u>	<u>\$/kWh</u>	<u>\$/kWh</u>	
4	Rate R-1	6.87	0.02539	0.02539	Reflects July 1, 2005 distribution rates
5	<u>Rate R-2</u>	<u>4.51</u>	<u>0.0038</u>	<u>0.0038</u>	Reflects July 1, 2005 distribution rates
6	Difference	2.36	0.02159	0.02159	
7					
8	Annual Revenue Discount	\$ 43,818	\$ 81,382	\$ 59,015	Line 1 x Line 6
9	Total Rate R-2 Discount	\$ 184,216			
10					
11		<u>Incremental</u>	<u>Winter</u>	<u>Summer</u>	
12	<u>Rate R-4</u>	<u>Customers</u>	<u>kWh/Cust</u>	<u>kWh/Cust</u>	
13	Billing Quantities	959	498,555	138,803	Reflects 12 month usage thru July 2005
14					
15		<u>\$/Cust</u>	<u>\$/kWh</u>	<u>\$/kWh</u>	
16	Rate R-3	7.77	0.03031	0.03031	Reflects July 1, 2005 distribution rates
17	<u>Rate R-4</u>	<u>5.09</u>	<u>0.00619</u>	<u>0.00619</u>	Reflects July 1, 2005 distribution rates
18	Difference	2.68	0.02412	0.02412	
19					
20	Annual Revenue Discount	\$ 2,570	\$ 12,025	\$ 3,348	Line 13 x Line 18
21	Total Rate R-4 Discount	\$ 17,943			
22					
23	Total Revenue Discount	\$ 202,159			(Line 8 + Line 20 ) all columns

**RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE**

**RATE RAAC**

**1.01 Purpose**

The purpose of the Residential Assistance Adjustment Clause ("RAAC") is to provide Commonwealth Electric Company ("Commonwealth Electric" or the "Company") a mechanism for the recovery of lost revenue, on an annual basis and subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department"), based on the incremental increase of Residential Assistance customers enrolled in the Company's discounted rates (Rate R-2 and Rate R-4) as a result of a computer data matching program with the Massachusetts Executive Office of Health and Human Services ("EOHHS"), as described in the Department's D.T.E. 01-106 order, as well as through traditional outreach programs. The RAAC would be subject to annual reconciliation/true-up based on actual sales and revenue.

**1.02 Applicability**

The RAAC shall be applicable to all Customers. For billing purposes, the RAAC shall be included in the Distribution Charge.

**1.03 Effective Date of Annual Adjustment Factor**

The Residential Assistance Adjustment Factor ("RAAF") shall be effective on November 1, 2005, and subject to an adjustment on the first day of each following calendar year commencing on January 1, 2007, pursuant to the reconciliation as described herein, unless otherwise ordered by the Department.

**1.04 Definitions**

The following terms shall be used in this tariff as defined in this section, unless the context requires otherwise.

- (1) "Distribution Company" or "Company" is Commonwealth Electric Company d/b/a NSTAR Electric Company.
- (2) "Baseline Period" is the twelve-month period ended June 30, 2005.
- (3) "Baseline Revenue" is the amount of low-income discount revenue in the Baseline Period. The Baseline Revenue shall be computed as the difference between the delivery rate revenue that would have been collected from customers had no low-income discount existed and the actual delivery rate revenue collected from customers on low-income tariffs during the Baseline Period.

**RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE**

**RATE RAAC**

- (4) "Recoverable Revenue" is the actual amount of discount revenue in an annual period subsequent to the Baseline Period in excess of the Baseline Revenue. The discount revenue shall be calculated as described above in (3). The Recoverable Revenue shall not be less than zero.

**1.05 Residential Assistance Adjustment Factor Formula**

$$RAAF_x = [(RA_x) + Cust(DCust\$_x) + Cust(AvgkWh)(DkWh\$)]/FkWh_x$$

RAAF =	The annual Residential Assistance Adjustment Factor.
RA <sub>x</sub> =	The Reconciliation Adjustment for Year <sub>x</sub> shall be the difference between the actual amount of revenue recovered in Year <sub>x</sub> and the Recoverable Revenue for Year <sub>x</sub> . Reconciliations shall be performed annually and interest shall be calculated on the average monthly reconciling balance using the prime rate computed in accordance with 220 C.M.R. § 6.08(2) and added to the reconciling balance.
Cust <sub>x</sub> =	The estimated net increase in the number of customers enrolled on the Company's Residential Assistance Rates over that for the Baseline Period.
AvgkWh =	The estimated average kWh usage per customer for the forecast period determined from the historical kWh usage under the Company's Residential Assistance Rates.
DCust\$ =	The difference between the non-discounted and discounted customer charge for the applicable rates.
DkWh\$ =	The difference between the non-discounted and discounted kWh charges for the applicable rates.
FkWh <sub>x</sub> =	The estimated total kWh sales in the forecast period.

**1.06 Information Required to be Filed with the Department**

Information pertaining to the RAAC shall be filed with the Department at least thirty (30) days before the date on which a new RAAF is to be effective. This information shall be submitted with each annual RAAF filing, along with complete documentation of the reconciliation-adjustment calculations.

**Commonwealth Electric Company**  
Low Income Adjustment (RAAF)

<u>Line #</u>	<u>Rate R-2 Annual</u>	Incremental <u>Customers (a)</u>	Winter Incremental <u>kWh/Cust</u>	Summer Incremental <u>kWh/Cust</u>	
1	Monthly Billing Quantities	602	467	467	Reflects average year 2004 usage
2					
3		<u>\$/Cust</u>	<u>\$/kWh</u>	<u>\$/kWh</u>	
4	Rate R-1	3.73	0.04614	0.04614	Reflects July 1, 2005 distribution rates
5	Rate R-2	2.21	0.02054	0.02054	Reflects July 1, 2005 distribution rates
6	Difference	1.52	0.02560	0.02560	
7					
8	Monthly Revenue Diff.	\$ 915	\$ 7,197	\$ 7,197	Line 1 x Line 6
9	Months	12	8	4	
10	Annual Revenue Difference	\$ 10,980	\$ 57,576	\$ 28,788	Line 8 x Line 9
11					
12			Winter	Summer	
13		Incremental	Incremental	Incremental	
14	<u>Rate R-2 Seasonal</u>	<u>Customers (a)</u>	<u>kWh/Cust</u>	<u>kWh/Cust</u>	
15	Monthly Billing Quantities	-	423	423	Reflects average year 2004 usage
16					
17		<u>\$/Cust</u>	<u>\$/kWh</u>	<u>\$/kWh</u>	
18	Rate R-1 (s)	3.73	0.08036	0.08036	Reflects July 1, 2005 distribution rates
19	Rate R-2 (s)	2.21	0.03986	0.03986	Reflects July 1, 2005 distribution rates
20	Difference	1.52	0.04050	0.04050	
21					
22	Monthly Revenue Diff.	\$ -	\$ -	\$ -	Line 13 x Line 18
23	Months	12	8	4	
24	Annual Revenue Difference	\$ -	\$ -	\$ -	Line 20 x Line 21
25					
26			Winter	Summer	
27		Incremental	Incremental	Incremental	
28	<u>Rate R-4 Heating</u>	<u>Customers (a)</u>	<u>kWh/Cust</u>	<u>kWh/Cust</u>	
29	Monthly Billing Quantities	32	1,053	1,053	Reflects average year 2004 usage
30					
31		<u>\$/Cust</u>	<u>\$/kWh</u>	<u>\$/kWh</u>	
32	Rate R-3	10.03	0.02718	0.02718	Reflects July 1, 2005 distribution rates
33	Rate R-4	5.87	0.00968	0.00968	Reflects July 1, 2005 distribution rates
34	Difference	4.16	0.01750	0.01750	
35					
36	Revenue Difference	\$ 133	\$ 590	\$ 590	Line 25 x Line 30
37	Months	12	8	4	
38	Annual Revenue Difference	\$ 1,597	\$ 4,717	\$ 2,359	Line 32 x Line 33
39					
40	Total Revenue Difference	\$ 106,018			L10 + L22 + L34 (all columns)
41	Prior Year Adjustment	\$ -			RA
42	Total Revenue for Recovery	\$ 106,018			Line 36 + Line 37
43	Total kWh	4,230,814,861			Reflects projected year total usage
44	RAAF Adjustment	\$ 0.00003 /kWh			Line 38 / Line 39

Notes:

(a) Results of EOHHS customer matching process for June 2005 .

**Commonwealth Electric Company**  
**Low Income Discount**

<u>Line #</u>	<u>Rate R-2 Annual</u>	<u>Annual</u> <u>Bills</u>	<u>Winter</u> <u>kWh</u>	<u>Summer</u> <u>kWh</u>	
1	Billing Quantities	207,655	59,468,378	35,343,161	Reflects 12 month usage thru June 2005
2					
3		<u>\$/Cust</u>	<u>\$/kWh</u>	<u>\$/kWh</u>	
4	Rate R-1	3.73	0.04645	0.04645	Reflects Jan 1, 2005 distribution rates
5	Rate R-2	<u>2.21</u>	<u>0.02085</u>	<u>0.02085</u>	Reflects Jan 1, 2005 distribution rates
6	Difference	1.52	0.02560	0.02560	
7					
8	Annual Discount Revenue	\$ 315,636	\$ 1,522,390	\$ 904,785	Line 1 x Line 6
9	Total Rate R-2 Discount	\$ 2,742,811			
10					
11	<u>Rate R-2 Seasonal</u>				
12	Billing Quantities	1,349	371,019	247,184	Reflects 12 month usage thru June 2005
13					
14		<u>\$/Cust</u>	<u>\$/kWh</u>	<u>\$/kWh</u>	
15	Rate R-1 (s)	3.73	0.08067	0.08067	Reflects Jan 1, 2005 distribution rates
16	Rate R-2 (s)	<u>2.21</u>	<u>0.04017</u>	<u>0.04017</u>	Reflects Jan 1, 2005 distribution rates
17	Difference	1.52	0.04050	0.04050	
18					
19	Annual Discount Revenue	\$ 2,050	\$ 15,026	\$ 10,011	Line 11 x Line 16
20	Total Rate R-2(s) Discount	\$ 27,088			
21					
22	<u>Rate R-4 Heating</u>				
23	Billing Quantities	19,599	14,789,780	4,875,344	Reflects 12 month usage thru June 2005
24					
25		<u>\$/Cust</u>	<u>\$/kWh</u>	<u>\$/kWh</u>	
26	Rate R-3	10.03	0.02749	0.02749	Reflects Jan 1, 2005 distribution rates
27	Rate R-4	<u>5.87</u>	<u>0.00999</u>	<u>0.00999</u>	Reflects Jan 1, 2005 distribution rates
28	Difference	4.16	0.01750	0.01750	
29					
30	Annual Discount Revenue	\$ 81,532	\$ 258,821	\$ 85,319	Line 21 x Line 26
31	Total Rate R-4 Discount	\$ 425,672			
32					
33	Total Discount Revenue	\$ 3,195,570			(L8 + L18 + L28) all columns

---

**RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE****RATE RAAC****1.01 Purpose**

The purpose of the Residential Assistance Adjustment Clause ("RAAC") is to provide NSTAR Gas Company ("NSTAR Gas" or the "Company") a mechanism for the recovery of lost revenue, on an annual basis and subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department"), based on the incremental increase of Residential Assistance customers enrolled in the Company's discounted rates (Rate R-2 and Rate R-4) as a result of a computer data matching program with the Massachusetts Executive Office of Health and Human Services ("EOHHS"), as described in the Department's D.T.E. 01-106 order, as well as through traditional outreach programs. The RAAC would be subject to annual reconciliation/true-up based on actual sales and revenue.

**1.02 Applicability**

The RAAC shall be applicable to all Firm Customers. For billing purposes, the RAAC shall be included in the Local Distribution Adjustment Clause.

**1.03 Effective Date of Annual Adjustment Factor**

The Residential Assistance Adjustment Factor ("RAAF") shall be effective on November 1, 2005, and will be subject to an adjustment on the first day of November for each following calendar year pursuant to the reconciliation as described herein, unless otherwise ordered by the Department.

**1.04 Definitions**

The following terms shall be used in this tariff as defined in this section, unless the context requires otherwise.

- (1) "Distribution Company" or "Company" is NSTAR Gas Company.
- (2) "Baseline Period" is the twelve-month period ended June 30, 2005.
- (3) "Baseline Revenue" is the amount of low-income discount revenue in the Baseline Period. The Baseline Revenue shall be computed on a weather-normalized basis as the difference between the delivery rate revenue that would have been collected from customers had no low-income discount existed and the actual delivery rate revenue collected from customers on low-income tariffs during the Baseline Period.

**RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE****RATE RAAC**

- (4) "Recoverable Revenue" is the actual amount of discount revenue in an annual period subsequent to the Baseline Period in excess of the Baseline Revenue. The discount revenue shall be calculated as described above in (3). The Recoverable Revenue shall not be less than zero.

**1.05 Residential Assistance Adjustment Factor Formula**

$$RAAF_x = [(RA_x) + \text{Cust}(DCust\$_x) + \text{Cust}(\text{AvgUse})(DUse\$)]/FUse_x$$

- RAAF = The annual Residential Assistance Adjustment Factor.
- $RA_x$  = The Reconciliation Adjustment for Year<sub>x</sub> shall be the difference between the actual amount of revenue recovered in Year<sub>x</sub> and the Recoverable Revenue for Year. Reconciliations shall be performed annually and interest shall be calculated on the average monthly reconciling balance using the prime rate computed in accordance with 220 C.M.R. § 6.08(2) and added to the reconciling balance.
- $Cust_x$  = The estimated net increase in the number of customers enrolled on the Company's Residential Assistance Rates over that for the Baseline Period.
- AvgUse = The estimated average weather-normalized therm usage per customer for the forecast period determined from the historical therm usage under the Company's Residential Assistance Rates.
- $DCust\$$  = The difference between the non-discounted and discounted customer charge for the applicable rates.
- $DUse\$$  = The difference between the non-discounted and discounted Therm charges for the applicable rates.
- $FUse_x$  = The estimated total weather-normalized Therm sales in the forecast period.

**1.06 Information Required to be Filed with the Department**

Information pertaining to the RAAC shall be filed with the Department at least thirty (30) days before the date on which a new RAAF is to be effective. This information shall be submitted with each annual RAAF filing, along with complete documentation of the reconciliation-adjustment calculations.



# **NSTAR Gas Company** **Low Income Adjustment (RAAF)**

Line #	Rate R-2 Non-Heating	Incremental Customers (a)	Winter Block 1 Incremental Therm/Cust	Winter Block 2 Incremental Therm/Cust	Summer Block 1 Incremental Therm/Cust	Summer Block 2 Incremental Therm/Cust	
1	Monthly Billing Quantities	136	14	6	8	6	Reflects average year 2004 usage
2							
3		<u>\$/Cust</u>	<u>\$/therm</u>	<u>\$/therm</u>	<u>\$/therm</u>	<u>\$/therm</u>	
4	Rate R-1	6.50	0.6871	0.4258	0.6225	0.3612	Reflects Jan 1, 2005 distribution rates
5	Rate R-2	<u>5.20</u>	<u>0.4649</u>	<u>0.2558</u>	<u>0.4403</u>	<u>0.2312</u>	Reflects Jan 1, 2005 distribution rates
6	Difference	1.30	0.2222	0.1700	0.1822	0.1300	
7							
8	Monthly Revenue Diff.	\$ 177	\$ 423	\$ 139	\$ 198	\$ 106	Line 1 x Line 6
9	Months	12	6	6	6	6	
10	Annual Revenue Difference	\$ 2,122	\$ 2,538	\$ 832	\$ 1,189	\$ 636	Line 8 x Line 9
11							
12			Winter Block 1 Incremental Therm/Cust	Winter Block 2 Incremental Therm/Cust	Summer Block 1 Incremental Therm/Cust	Summer Block 2 Incremental Therm/Cust	
13							
14	<u>Rate R-2 Heating</u>						
15	Monthly Billing Quantities	989	48	78	18	18	Reflects average year 2004 usage
16							
17		<u>\$/Cust</u>	<u>\$/therm</u>	<u>\$/therm</u>	<u>\$/therm</u>	<u>\$/therm</u>	
18	Rate R-3	6.50	0.5410	0.2466	0.5410	0.2466	Reflects Jan 1, 2005 distribution rates
19	Rate R-2	<u>5.20</u>	<u>0.3552</u>	<u>0.1163</u>	<u>0.3552</u>	<u>0.1163</u>	Reflects Jan 1, 2005 distribution rates
20	Difference	1.30	0.1858	0.1303	0.1858	0.1303	
21							
22	Revenue Difference	\$ 1,286	\$ 8,820	\$ 10,052	\$ 3,308	\$ 2,320	Line 15 x Line 20
23	Months	12	6	6	6	6	
24	Annual Revenue Difference	\$ 15,428	\$ 52,922	\$ 60,310	\$ 19,846	\$ 13,918	Line 22 x Line 23
25							
26	Total Revenue Difference	\$ 169,741					Line 10 + Line 24 all columns
27	Prior Year Adjustment	\$ -					RA
28	Total Revenue for Recovery	\$ 169,741					Line 26 + Line 27
29	Total therms	466,861,570					Reflects projected year total usage
30	RAAF Adjustment	\$ 0.0004	per therm				Line 28 / Line 29

Notes:  
(a) Results of EOHHS customer matching process for June 2005

**NSTAR Gas Company**  
**Low Income Discount**

<u>Line #</u>	<u>Rate R-2 Non-Heating</u>			Winter Block 1		Winter Block 2		Summer Block 1		Summer Block 2	
1	Monthly Billing Quantities	<u>Bills</u>		<u>Therms</u>		<u>Therms</u>		<u>Therms</u>		<u>Therms</u>	
2		17,597		73,470		54,083		116,122		102,279	Reflects weather adjusted annual usage thru 6/05
3		<u>\$/Cust</u>		<u>\$/therm</u>		<u>\$/therm</u>		<u>\$/therm</u>		<u>\$/therm</u>	
4	Rate R-1	6.50		0.6871		0.4258		0.6225		0.3612	Rates effective 7/04 - 6/05
5	Rate R-2	5.20		0.4649		0.2558		0.4403		0.2312	Rates effective 7/04 - 6/05
6	Difference	1.30		0.2222		0.1700		0.1822		0.1300	
7											
8	Monthly Revenue Diff.	\$ 22,876	\$	16,325	\$	9,194	\$	21,157	\$	13,296	Line 1 x Line 6
9	Total Rate R-2 Discount	\$ 82,849									
10											
11											
12	<u>Rate R-2 Heating</u>	<u>Bills</u>		<u>Therms</u>		<u>Therms</u>		<u>Therms</u>		<u>Therms</u>	
13	Monthly Billing Quantities	192,682		4,371,013		8,075,103		1,967,521		1,172,842	Reflects weather adjusted annual usage thru 6/05
14		<u>\$/Cust</u>		<u>\$/therm</u>		<u>\$/therm</u>		<u>\$/therm</u>		<u>\$/therm</u>	
15		6.50		0.541		0.2466		0.541		0.2466	Rates effective 7/04 - 6/05
16	Rate R-3	5.20		0.35520		0.1163		0.35520		0.1163	Rates effective 7/04 - 6/05
17	Rate R-4	5.20		0.35520		0.1163		0.35520		0.1163	Rates effective 7/04 - 6/05
18	Difference	1.30		0.1858		0.1303		0.1858		0.1303	
19											
20	Revenue Difference	\$ 250,487	\$	812,134	\$	1,052,186	\$	365,565	\$	152,821	Line 13 x Line 18
21	Total Rate R-2 Discount	\$ 2,633,193									
22											
23	Total Revenue Difference	\$ 2,716,042									Line 8 + Line 20 all columns